

DEBT SERVICE FUND OVERVIEW

The Debt Service Fund accounts for the periodic deposits of revenue and loan payments to assure the timely availability of sufficient moneys for the payment of the City's general obligation debt and other related debt and costs. Since 1957, the City has issued its general obligation debt, which is secured by the full faith and credit of the City, as a source of funding for projects in the City's capital improvements plan.

The City's most recent general obligation bond issue was assigned a credit rating of "Aa2" with a stable outlook by Moody's Investors Service, Inc., and a "AA" credit rating with a stable outlook by Standard and Poor's. These credit ratings serve as a contributing factor for the low interest rates the City receives on its general obligation bonds. Credit ratings provide potential buyers a general measure of the relative creditworthiness of the City's general obligation bonds.

The major source of revenue used to pay the City general obligation debt is ad valorem property taxes. Although recent economic conditions have had a negative impact on property tax collections, local option sales tax collections (another substantial revenue source for general obligation debts) have performed well. As a means of diversifying Debt Service Fund revenues, a portion of the City's local option sales tax collections is transferred into the Debt Service Fund and used to pay the City's general obligation debt.

DEBT SERVICE FUND OVERVIEW

The following table reflects revenues and expenditures for the Debt Service Fund.

Debt Service Fund Revenues and Expenditures

Category	FY 2012 Actual	FY 2013 Adopted	FY 2013 Forecast	FY 2014 Adopted
Revenues and Other Sources				
Current Property Taxes	75,833,777	75,683,000	75,589,241	89,294,091
Delinquent Property Taxes	1,786,592	1,200,000	532,665	100,000
Local Option Sales Tax	8,719,369	7,140,000	7,140,000	7,200,000
Sale of Delinquent Property Tax	3,971,902	2,000,000	3,990,632	3,900,000
In Lieu Of Taxes-Contractual	1,649,996	1,655,000	1,655,000	1,650,000
State Taxes - Tourism Development Zone	13,013,706	-	12,118,185	11,900,000
Use of Money	71,292	66,000	144,233	125,000
Federal Grants	2,273,198	2,273,000	2,273,000	2,075,429
Intergovernmental Revenues	2,875,968	-	-	-
Other	3,047,500	776,862	776,482	778,569
Issuance of Refunding Debt	98,746,231	-	-	230,035,000
Proceeds from Loan	26,744,908	-	-	-
Transfer In - Hotel-Motel Tax	1,336,430	1,182,632	1,182,632	1,181,457
Transfers In - State Street Aid	1,768,300	1,768,300	1,768,300	1,768,300
Transfers In - Solid Waste	2,589,178	3,516,142	3,516,142	1,853,927
Transfers In - Stormwater	4,412,440	4,412,000	4,412,000	3,000,000
Transfers In - Other	6,822,293	10,906,700	14,166,700	4,694,833
Contribution from Committed Fund Balance	-	17,014,118	12,446,729	9,414,729
Total Revenues and Other Sources	255,663,080	129,593,754	141,711,941	368,971,335
Expenditures and Other Uses				
Principal - Serial Bonds, Notes and Leases	36,873,804	70,168,036	70,168,036	78,902,512
Interest - Serial Bonds, Notes and Leases	59,768,797	59,070,718	59,070,719	55,057,322
Interest - Pyramid Bonds	4,940,753	-	8,429,721	8,429,721
Liquidity/Remarketing Fees				742,500
Other	933,693	355,000	355,000	394,000
Retirement of Refunded Debt	98,096,798	-	-	221,975,000
Transfers Out	5,500,000	-	-	-
Contribution to Restricted Fund Balance	34,448,000	-	3,688,465	3,470,280
Contribution to Committed Fund Balance	15,101,235	-	-	-
Total Expenditures and Other Uses	255,663,080	129,593,754	141,711,941	368,971,335
Restricted Fund Balance - Beg. of Year	-	-	34,448,000	38,136,465
Restricted Fund Balance - End of Year	34,448,000	-	38,136,465	41,606,745
Committed Fund Balance - Beginning of Year	17,201,278	32,302,235	32,302,513	19,855,784
Committed Fund Balance - End of Year	32,302,513	15,288,117	19,855,784	10,441,055

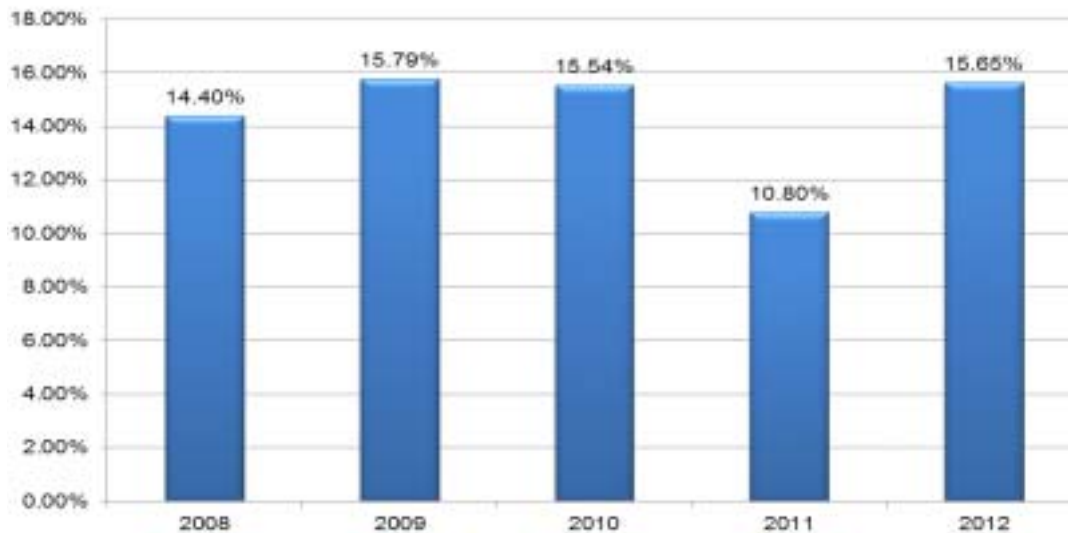


DEBT SERVICE FUND OVERVIEW

The following tables reflect the annual debt service for general obligation debt as a percentage of general fund expenditures for the last five fiscal years. The average percentage over the last five years is approximately 14.44%.

Annual Debt Service as a Percentage of General Fund Expenditures
Last Five Fiscal Years
(In Thousands)

Fiscal Year	General Obligation Debt Service			General Fund Expenditures	Debt Service as a Percentage of Expenditures
	Principal	Interest	Total		
2008	42,925	49,015	91,940	638,398	14.40%
2009	58,565	52,451	111,016	702,953	15.79%
2010	61,803	53,866	115,669	711,223	15.54%
2011	24,100	52,303	76,403	707,275	10.80%
2012	36,874	64,709	101,583	649,282	15.65%



DEBT SERVICE FUND OVERVIEW

The following table presents the City's per capita bonded debt and ratios of bonded debt to appraised value and assessed value for the last five fiscal years.

DEBT RATIO TRENDS

Last Five Fiscal Years

	2008	2009	2010	2011	2012
Estimated population ⁽¹⁾	674,028	669,651	676,640	646,889	652,050
Appraised Value of Property ⁽²⁾	\$36,776,628	\$39,750,993	\$38,788,129	\$38,069,899	\$37,757,901
Assessed Value of Property ⁽²⁾	11,392,569	12,341,761	12,053,354	11,816,478	11,720,563
Total GO Debt ⁽²⁾	1,127,812	1,201,802	1,224,521	1,262,050	1,458,396
Self-supporting Debt ⁽²⁾	13,565	11,137	8,575	2,752	217,050
Net GO Debt ⁽²⁾	\$ 1,114,247	\$ 1,190,665	\$1,215,946	\$1,259,298	\$1,241,346
Net GO Debt per Capita					
Total Debt	\$ 1,673	\$ 1,795	\$ 1,810	\$ 1,951	\$ 2,237
Net Debt	\$ 1,653	\$ 1,778	\$ 1,797	\$ 1,947	\$ 1,904
Net GO Debt to Appraised Value					
Total Debt	3.07%	3.02%	3.16%	3.32%	3.86%
Net Debt	3.03%	3.00%	3.13%	3.31%	3.29%
Net GO Debt to Assessed Value					
Total Debt	9.90%	9.74%	10.16%	10.68%	12.44%
Net Debt	9.78%	9.65%	10.09%	10.66%	10.59%

Source: Comprehensive Annual Financial Report for the Fiscal Years Ended June 30, 2008 through and including 2012 of the City of Memphis, Tennessee.

(1) As reported by the U.S. Bureau of the Census.

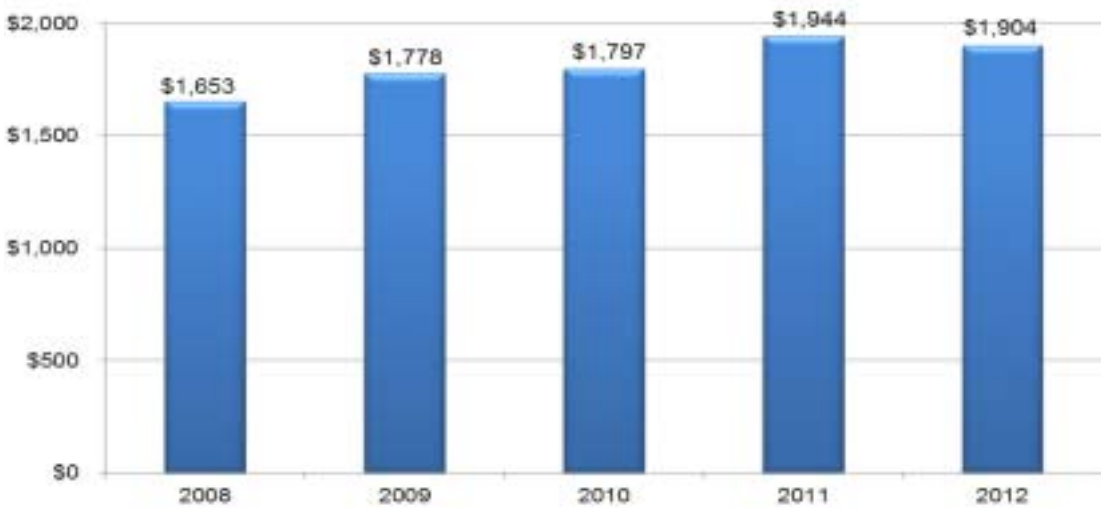
(2) Amounts rounded to 000's.



DEBT SERVICE FUND OVERVIEW

The following table reflects the net bonded debt per capita on a net basis for the last five fiscal years, as shown earlier in the table entitled "Debt Ratio Trends."

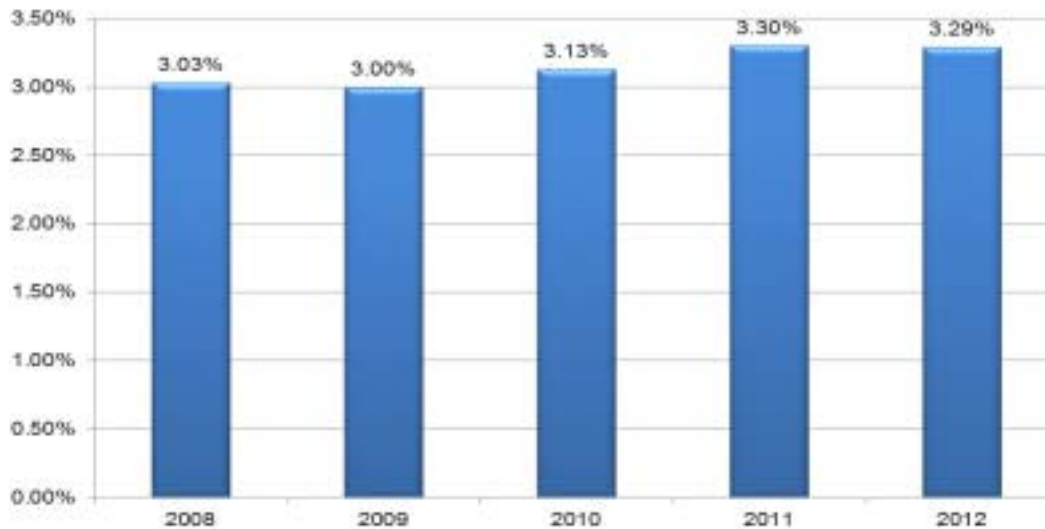
Net Bonded Debt Per Capita



DEBT SERVICE FUND OVERVIEW

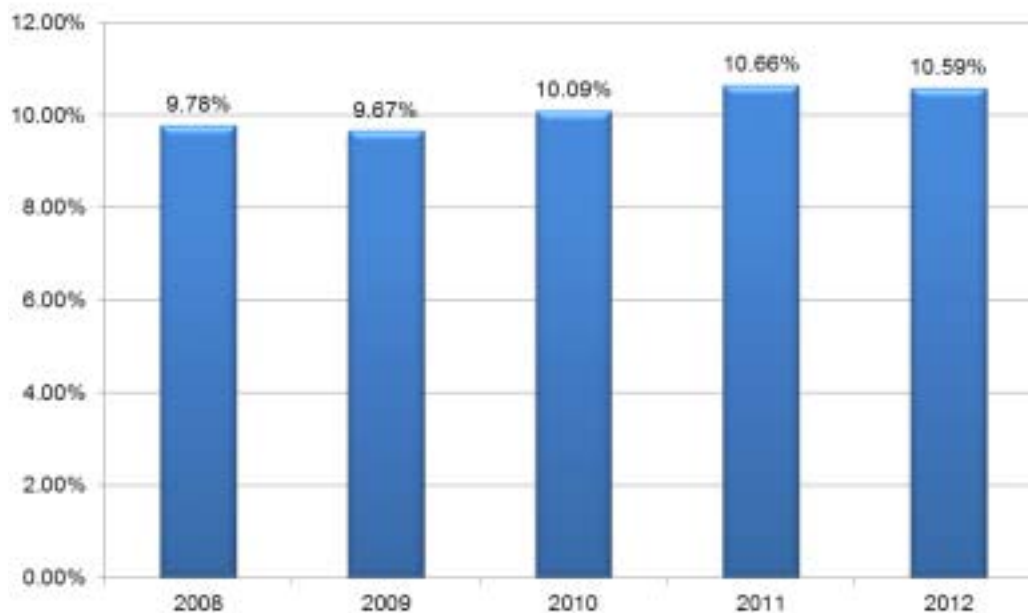
The following table reflects the City's ratios of net bonded debt to appraised value for the last five fiscal years, as shown earlier in the table entitled "Debt Ratio Trends."

Ratio of Net Bonded Debt to Appraised Value



The following table reflects the City's ratios of net bonded debt to assessed value for the last five fiscal years, as shown earlier in the table entitled "Debt Ratio Trends."

Ratio of Net Bonded Debt to Assessed Value



DEBT SERVICE FUND OVERVIEW

Outstanding Debt Obligation Serviced from the Debt Service Fund as of 6/30/2013

General Obligation Bonds and Notes	Outstanding Par Amount	Final Maturity Date
\$93,595,000 Gen. Imp. & Refg Bonds, Series 2012A	\$ 93,595,000	4/1/2042
\$5,145,000 Gen. Imp. Bonds, Series 2012B	4,840,000	4/1/2024
\$86,190,000 Gen. Imp. Bonds, Series 2011	86,190,000	5/1/2036
\$11,160,000 Gen. Imp. Bonds, Series 2010F (RZEDB)	11,160,000	7/1/2034
\$55,295,000 Gen. Imp. & Refg Bonds, Series 2010E (Federally Tax- able)	55,295,000	7/1/2018
\$121,205,000 Gen. Imp. & Refg Bonds, Series 2010D	121,205,000	7/1/2023
\$62,550,000 General Improvement Bonds, Series 2010 C (Direct Pay BABs)	62,550,000	7/1/2032
\$39,950,000 General Improvement Bonds, Series 2010B (Direct Pay BABs)	39,950,000	5/1/2030
\$27,880,000 General Improvement Bonds, Series 2010A	25,850,000	5/1/2022
\$76,025,000 General Improvement Bonds, Series 2009	43,035,000	4/1/2029
\$99,735,000 General Improvement Bonds, Series 2008	66,610,000	4/21/2028
\$94,935,000 General Improvement Bonds, Series 2007A	67,700,000	4/1/2027
\$89,385,000 Gen. Imp. & Refg Bonds, Series 2006C	58,895,000	11/1/2022
\$38,185,000 Gen. Imp. & Refg Bonds, Series 2006B	10,910,000	11/1/2014
\$76,930,000 Gen. Imp. & Refg Bonds, Series 2006A	54,820,000	11/1/2025
\$115,635,000 Gen. Imp. & Refg Bonds, Series 2005B	80,950,000	10/1/2018
\$166,880,000 Gen. Imp. & Refg Bonds, Series 2005	135,180,000	10/1/2019
\$34,160,000 Gen. Imp. & Refg Bonds, Series 2004	15,595,000	10/1/2017
\$125,000,000 General Improvement Bonds, Series 2004	22,210,000	10/1/2023
\$92,985,000 Gen. Imp. & Refg Bonds, Series 2001	35,240,000	11/1/2016
\$42,290,000 Gen. Imp. & Refg Bonds, Series 1999	-	10/1/2012
\$71,975,000 Bond Anticipation Notes, 2012	71,975,000	4/1/2014
Commercial Paper Bond Anticipation Notes	115,000,000	
Total	\$1,278,755,0000	

Appropriation Obligations	Outstanding Par Amount	Final Maturity Date
Memphis and Shelby County Port Commission Bonds, Series 2011	\$ 19,607,500	4/1/2036
Center City Revenue Finance Pyramid and Pinch District, Series 2011A	40,540,000	11/1/2030
Center City Revenue Finance Pyramid and Pinch District, Series 2011B	100,245,000	11/1/2030
Center City Revenue Finance Pyramid and Pinch District, Series 2011C	56,150,000	11/1/2021
\$8,963,200 Solid Waste Lease, 2011	6,323,338	8/1/2016
Total Appropriation Obligation	\$222,865,838	



